

and refusing- the remainder upon the ground that so large an advance required the consent of the Council of Regents of the bank. The refusal exasperated the Communist leaders, who threatened to bring the bank to terms by two battalions and two pieces of cannon. The bank yielded, upon the written demand of the Committee of Public Safety, endorsed by M. Jourde, the financial delegate of the Commune, that ¹¹ If this sum is not delivered, the bank will be immediately invaded by the Communal Guard," ¹ M. Jourde was obliging enough, when a new demand was made for 500,000 francs on May 23d, to deliver a receipt endorsed with the declaration that *' The refusal of this sum would involve the seizure of the bank." The next day the regular army of Versailles was in the heart of Paris and the bank was safe from further robbery. The advances on behalf of the City of Paris were recognized as a debt of the city and counted into the loan for 210,000,000 francs contracted with the bank on August 30, 1871. The bank was less successful with the general government and, after a long course of negotiations, was obliged to charge 7,293,383 francs to the account of profit and loss.²

The Bank of France played an important part in the most remarkable transaction in the history of foreign exchange— the payment of the great war indemnity levied upon France by Germany. A detailed account of the process of payment was submitted to the National Assembly in 1875 by M. Leon Say, and forms one of the most instructive chapters of modern financial history. The definitive treaty of peace, signed at Frankfort on May 10, 1871, called for the payment by France to Germany of five milliards of francs (\$1,000,000,-000). Five hundred millions were to be paid thirty *days* after the restoration of order in Paris, one thousand millions during the year 1871, five hundred millions on May 1, 1872, and three thousand millions on March 2, 1874, with five per cent, interest on the last payment. The framers of the treaty appreciated the difficulty of making such an immense

¹ Noel, I., 122.

² Noel, I., 200.